

Indiana Long Term Care Insurance Program

Quarter 2-2006 Report

April 1, 2006 through June 30, 2006



Completed on August 21, 2006

QUARTERLY SUMMARY REPORT – INDIANA

	QUARTER 2-2006	TO DATE
Applications Received:	413	45,464
Applications Denied:	75	6,988
Applications Pending & Withdrawn:	N/A	172
Policies Purchased:	521	38,490
Policies Dropped (voluntarily & for unknown reasons*):	77	3,731
Policies Not Taken Up: (dropped within 30 day free look period)	12	2,281
Total Policies In Force (active):	N/A	31,750
Policyholders Who Received Service Payments:	99	366

** Does not include drops reported as deaths, rescissions or exhausted benefits.*

**Indiana Long Term Care Insurance Program:
Statistics for Quarter Ending June 30, 2006
In Comparison To Cumulative Program Statistics**

	Quarter ending 04-31-06	Cumulative as of 06-30-06
Total Policies Purchased	521	38,490
Total Policies Dropped *	<u>110</u> Died (19.1%) Voluntarily (37.3%) Unknown (32.7%) Not Taken Up (10.9%) Exhausted Benefits (0.00%)	<u>6,740</u> Died (9.4%) Voluntarily (25.9%) Unknown (29.5%) Not Taken Up (33.8%) Converted (1.1%) Exhausted Benefits (0.3%) Rescission (0.0%)
Policies Not Taken Up During 30 Day Free Look		
Policies in Force	N/A	31,750

**Does not include exhausted or rescissions.*

This information was based on quarterly and cumulative policies in force.

Nursing Home and Home Care Policies.	484 (92.9%)	28,180 (88.8%)
Nursing Home Only Policies	37 (7.1%)	3,570 (11.3%)
First Time Purchasers	511 (98.1%)	30,022 (94.5%)
Upgrades or Replacements	10 (1.9%)	1,728 (5.5%)
Individual	506 (97.1%)	30,461 (95.9%)
Group Certificates	0(0.0%)	283(0.9%)
Organization Sponsored	15 (2.9%)	1,006 (3.2%)
Male	228 (43.8%)	13,673 (43.1%)
Female	293 (56.2%)	18,077 (56.9%)
Married	422(81%)	24,764 (77.9%)
Not Married	98 (18.8%)	6,619 (20.9%)
Unknown	1 (0.2%)	364 (1.2%)
Civil Union or Domestic Partner	0 (0.0%)	1 (0.0%)

INDIANA LONG TERM CARE INSURANCE PROGRAM

Statistical Summary

Period: April 1, 2006 – June 30, 2006

Report Prepared 08-21-2006

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending June 30, 2006, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter was 521!**
- **Cumulatively, 45,464 applications have been submitted with over 38,400 policies purchased!**
- **Comprehensive policies continue to be the primary type of policy being purchased.** For example, 93% of all policies purchased in Q2'06 were comprehensive while only 7% were for nursing home only.
- Cumulatively, the number of comprehensive policies purchased has increased from 87% of all sales in (Q2'05) to 89% of all sales in (Q2'06).

84% of policies purchased during Q2'06 qualify for Total Asset Protection. Cumulatively, 77% of all policies purchased qualify for Total Asset Protection.

- **98% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 61. Age range of purchasers is 18 to 89.**
- **Cumulatively, 74% of all policyholders were age 65 or under at the time of purchase.**

Indiana Long Term Care Insurance Program
Fact Sheet For Quarter 2, 2006

PARTICIPATING COMPANIES:

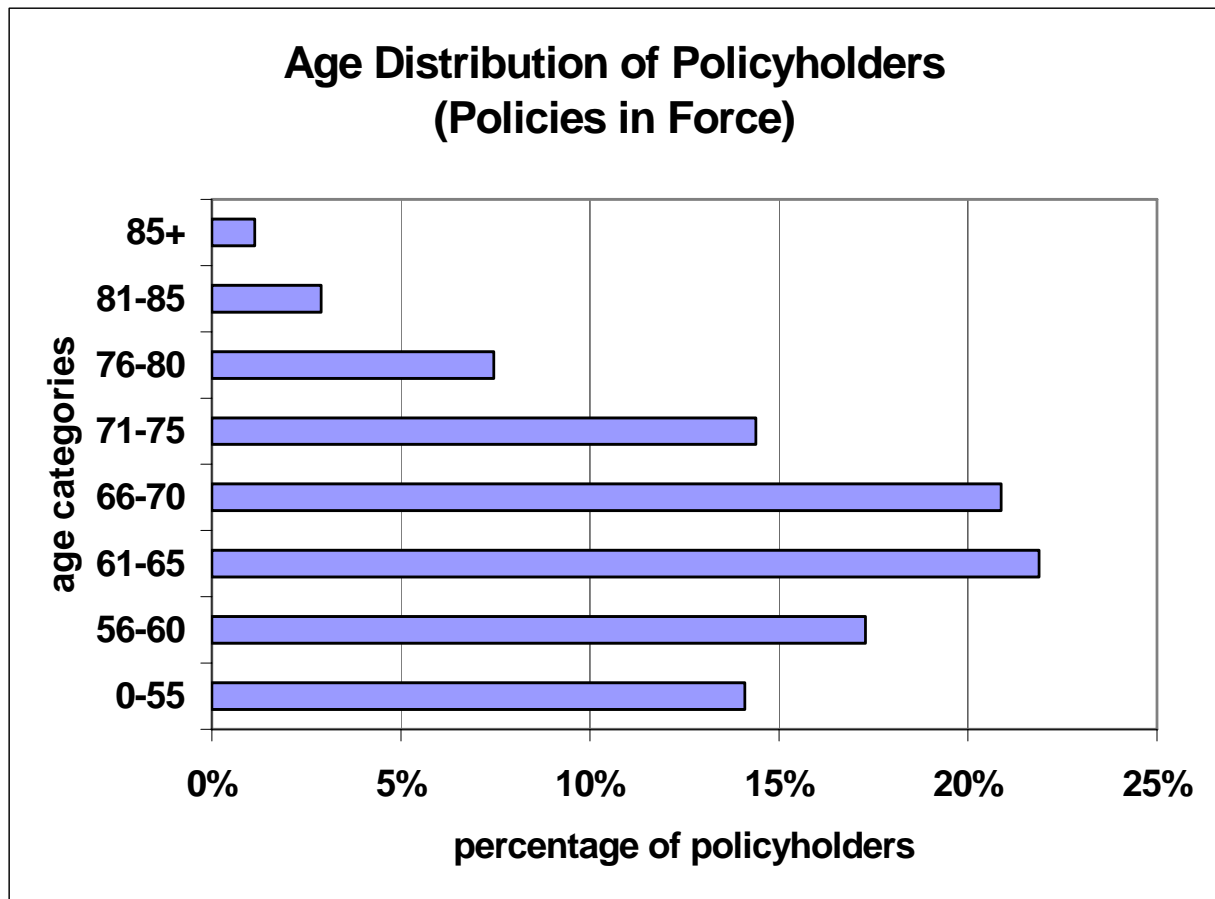
Bankers Life and Casualty – Individual: Tax Qualified
CUNA Mutual Life Insurance Company
CNA –Group: Tax Qualified
Genworth – Individual: Tax Qualified
GE Capital Assurance – Individual: Tax Qualified
John Hancock – Individual: Tax Qualified
Life Investors – Individual: Tax Qualified
MedAmerica – Individual & Group: Tax Qualified

Metropolitan Life - Individual: Tax Qualified
Monumental Life – Individual: Tax Qualified
Mutual of Omaha – Individual: Tax Qualified
Penn Treaty Network America - Individual
State Farm – Individual: Tax Qualified
Transamerica Occidental:Tax Qualified
United Teachers Associates Insurance Company

Twelve companies provided data during Quarter 2, 2006.

Age Distribution of Partnership Policyholders at Time of Purchase

	<u>Age Range</u>		<u>Average Age</u>
	<i>Low</i>	<i>High</i>	
Individual Policyholders	18	89	60.90
Group Certificateholders	23	73	49.37
Organization Sponsored	19	84	56.90
All Insureds	18	89	60.67



Nursing Home Per Diem Amounts (Policies in Force):

Average Amount: \$125.35

Mode: \$120.00 (12.27% of all purchasers)

Home Care Per Diem Amounts (Policies in Force):

Average Amount: \$115.01

Mode: \$120.00 (9.52% of all purchasers)

Elimination Periods (Policies in Force):

Nursing Homes:

0 days	1,849 (5.82%)
9 days	1 (<1%)
15 days	54 (0.17%)
20 days	930 (2.93%)
30 days	5,309 (16.72%)
45 days	522 (1.64%)
50 days	1,839 (5.79%)
60 days	1,319(4.15%)
90 days	9,196 (28.96%)
100 days	10,209 (32.15%)
120 days	2 (0.01%)
180 days	520(1.64%)

Home and Community Care:

0 days	11,239 (39.81%)
10 days	3 (0.01%)
14 days	239 (0.85%)
15 days	33 (<1%)
20 days	735 (2.60%)
30 days	4,104 (14.54%)
45 days	517 (1.83%)
50days	26 (<1%)
60 days	906 (3.21%)
90 days	6,532 (23.14%)
100 days	3,434 (12.16%)
180 days	464 (1.64%)

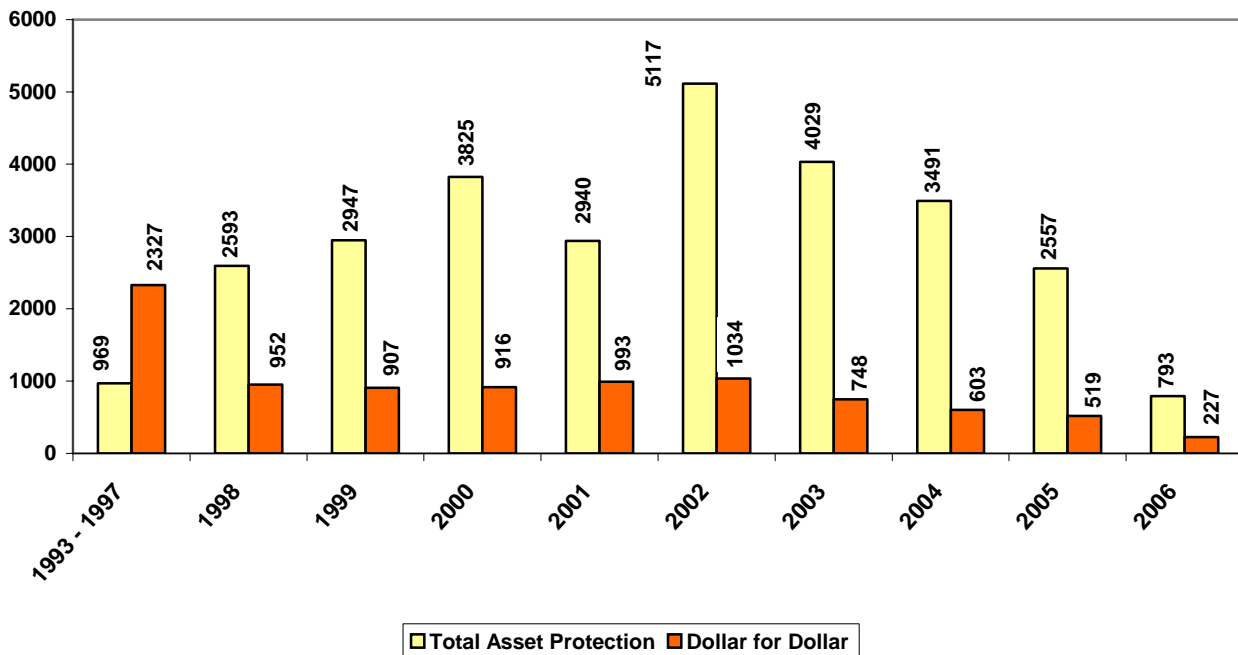
Riders:

Non-Forfeiture	<1%
Restoration of Benefits	1.07%
Spousal Benefit Enhancement	1.25%
Other Riders	1.91%

Asset Protection Type at Initial Policy Purchase By Policy Effective Date

Quarter 2-2006	Cumulative at Time of Purchase
Policies Purchased by Quarter	521
Policies Purchased by Cumulative	38,490
Total Asset Protection by Quarter	440
Total Asset Protection by Cumulative	29,582
Dollar for Dollar by Quarter	81
Dollar for Dollar by Cumulative	8,765

Asset Protection Type at Initial Purchase



*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.

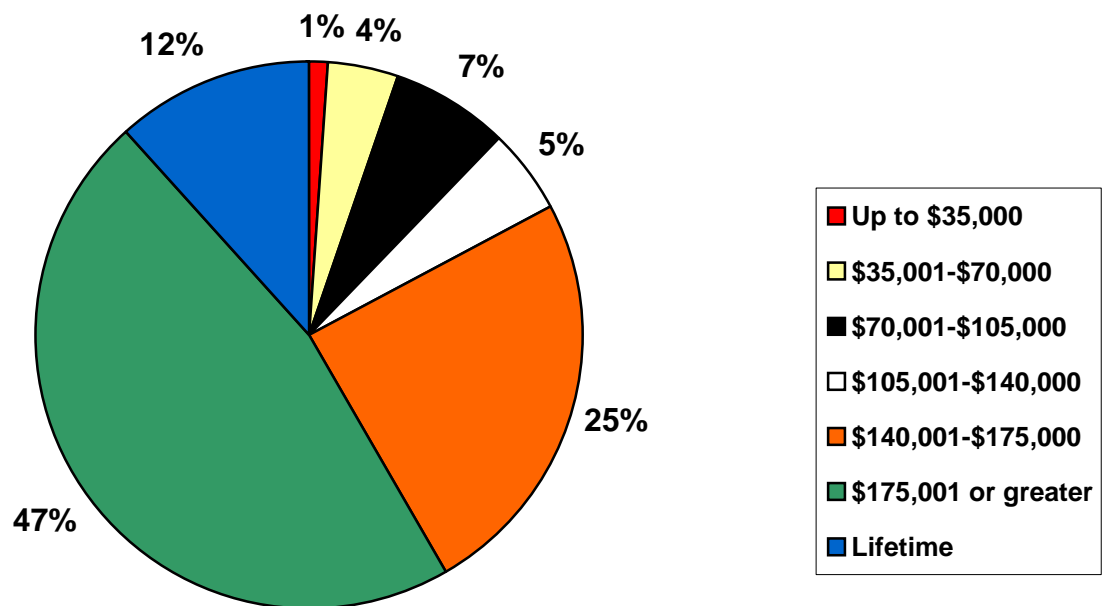
Maximum Policy Amount of Policies in Force:

Range: \$22,050 - \$6,504,300 (plus 3,687 lifetime policies)

Average amount: \$181,087 (not including lifetime policies)

Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$35,000 Approx: (1 yr)	1%
\$35,001 - \$70,000 (2 yrs)	4.4%
\$70,001 - \$105,000 (3 yrs)	6.7%
\$105,001 - \$140,000 (4 yrs)	5.0%
\$140,001 - \$175,000 (5 yrs)	24.5%
\$175,001 or greater (6 yrs +) (excluding lifetime)	46.8%
Lifetime Policies	11.6%



Policyholders in Benefit Information as of June 30, 2006

Benefit Status

Number of policyholders, to date, who have received benefit payments.	366
Number of policyholders in benefit as of Quarter 2, 2006.	101
Number of policyholders that received benefits and have died.	102

Asset protection earned by policyholders to date.	\$15,795,633.29
Asset protection earned to date that will not be accessed (policyholders who have died)	\$2,638,482.82

Service Utilization

Type of Service* (other than case management)	% of Total Claimants by Type of Service **
Nursing Home Care	70.70%
Home Health Aide – hourly care	7.04%
Home Health Aide – daily care	9.01%
Attendant Care	0.56%
Other Institutional	0%
Hospital Bed Hold	14.65%
Assisted Living	17.46%
Adult Day Care	1.97%
Personal Care	7.04%
Alternate Level of Care	1.13%

*These categories are not mutually exclusive, therefore, percents shown will not total 100.

**This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

AGGREGATE CLAIMANT PROFILE
As of June 30, 2006

Gender	Female	65.6%
	Male	34.4%
Marital Status	Not Married	43.2%
	Married	52.2%
	Unknown	5.2%
Average Age At The Time Of Policy Purchase		71.50
Average Age At The Time Of Claim		77.46
Age Range At Time Of Claim	Range =	44 – 96
	Mean =	77.41
	Median =	76
Policy Type Owned:	Nursing Home Only	32.2%
	Nursing Home & Home Care	67.8%

Average time elapsed between purchase date and claim date was 62.21 months (5.18 years)